

METHOD AND APPARATUS FOR DISTRIBUTING, EXCHANGING AND  
UTILIZING ELECTRONIC COLLECTIBLES

## CROSS-REFERENCE TO RELATED APPLICATIONS

[0001] The present application is related to Australian Provisional Application Nos. 2003906195 and 2003906196, both filed on November 11, 2003 and to Australian Provisional Application No. 2003906529, filed on November 26, 2003. These applications, in their entirety, are herein incorporated by reference.

## BACKGROUND OF THE INVENTION

## Field of the Invention

[0002] The present invention relates generally to electronic information distribution, exchange and utilization via electronic information networks. More particularly, the present invention relates to facilitating the distribution of electronic collectibles to collectors for the purpose of collecting the collectibles and enabling the collectors to exchange and make use of their electronic collectibles.

## Description of Related Art

[0003] People have traditionally collected items within sets of collectibles, such as trading cards, coins and postage stamps. Collection of items in an electronic form or representation has been less popular than the traditional collectible sets because of the difficulties in distributing and exchanging electronic collectibles and the relative ease with which electronic items can be copied, thereby reducing such items' uniqueness. The need therefore exists to provide a method and apparatus through which the unique qualities of an electronic collectible can be enhanced and the distribution, exchange and utilization of the collectibles can be facilitated.

## BRIEF SUMMARY OF THE INVENTION

[0004] A method and apparatus for distributing, exchanging and utilizing electronic collectibles is described herein. In one embodiment, a collectibles apparatus is created where a register is maintained of the owners of each electronic collectible, this register being the sole arbiter of ownership of any one electronic collectible, should disputes arise between collectors. A client apparatus is also created that can be used by collectors to view and make use of their electronic collectibles. The client apparatus can

also include a placeholder template, which provides a specific placeholder for each electronic collectible within a defined set of electronic collectibles. The uniqueness of the electronic collectibles can be enhanced by registering all collectors within the collectibles apparatus and adding matching pairs of encrypted codes that incorporate the collectors' registration identification to both the electronic collectibles and to their corresponding placeholders within the placeholder templates such that electronic collectibles can only be viewed and used by the owner of the electronic collectible, as recorded within the collectibles apparatus. The collectibles apparatus can also facilitate the exchange of electronic collectibles between registered collectors by providing further apparatuses to enable trading, purchasing and auctioning of electronic collectibles.

**[0005]** In one embodiment the distribution of the electronic collectibles to collectors can be facilitated by creating a limited set of unique token serial numbers and keeping a database of these unique token serial numbers within the collectibles apparatus. The token serial numbers can then be distributed to collectors through a variety of means, such as by being printed on tokens and sold directly to collectors or by packaging tokens with the serial numbers printed on them inside complimentary products, such as snack foods. Registered collectors can then submit their received token serial numbers to the collectibles apparatus and be allocated ownership of one of the remaining electronic collectibles from within the set.

**[0006]** Further incentives for the collection of the electronic collectibles can be supported through the collectibles apparatus. For example, sets of electronic collectibles can be sponsored by companies that can offer prizes to collectors who collect specified sub-sets within an electronic collectibles set.

**[0007]** The electronic collectibles sets can take a variety of embodiments, such as electronic trading card sets covering interest areas such as sporting teams, racing cars, celebrities, cartoon characters, etc. A further embodiment of the invention can be used to facilitate electronic gaming, whereby the electronic collectibles can form elements in the game, such as collecting parts of a vehicle to form variant cars in an electronic racing car game, or collection of soldiers and weapons to form armies for employment in an electronic strategy game. A further embodiment of the invention can be used to facilitate the distribution and use of electronic collectibles that are works of art, whereby viewing and use of the art works can be limited to only the true owners of the works of art.

**[0008]** A practical example of the employment of the invention would be to create a set of electronic trading cards for football teams within a particular league. Electronic

trading cards can be created for each player in each team, with a smaller number of trading cards being generated for key players in each team, such as the team captains, than the number of trading cards created for less notable players within the team. Distribution of the electronic trading cards can be supported through a variety of means, including the use of unique token serial numbers printed on tokens that are then packaged in snack food. Trading card collectors can access a central collectibles apparatus within the Internet and register as a collector. These trading card collectors can then submit a unique token serial number and be allocated a trading card at random from the remaining available trading cards. The submission of the unique token serial number to the collectibles apparatus would also invalidate that unique token serial number for further use within the collectibles apparatus. The electronic trading cards can be utilized, traded and purchased within the collectibles apparatus. The trading card collectors can also choose to install a client apparatus onto their own computing devices, which will enable the collectors to view, manage and conduct limited trading transactions. The client apparatus would also have a facility that prevents the electronic trading cards from being viewed on any client apparatus other than the one owned by the collector who owns the trading card. As an incentive to collecting the cards, sponsors can offer prizes for collecting particular sub-sets of the electronic trading cards, such as the trading cards of each of the team captains within the league or all of the trading cards for one football team.

#### BRIEF DESCRIPTION OF THE DRAWINGS

[0009] Additional objects, features, and advantages of the present invention will become apparent from the following detailed description of the embodiments of the invention in conjunction with the accompanying drawings where like reference numerals indicate like features, in which:

[0010] **FIGURE 1A** is a schematic drawing of an exemplary methodology for allocating and trading cards in accordance with an embodiment of the present invention;

[0011] **FIGURE 1B** is a schematic drawing of an exemplary methodology for purchasing cards and collecting prizes in accordance with an embodiment of the present invention;

[0012] **FIGURE 1C** is a schematic drawing of an exemplary methodology for off-line trading of cards in accordance with an embodiment of the present invention;

[0013] **FIGURE 1D** is a schematic drawing of an exemplary methodology for interaction with electronic games in accordance with an embodiment of the present invention;

[0014] **FIGURE 1E** is a schematic drawing of an exemplary overview of the trading card methodology in accordance with an embodiment of the present invention;

[0015] **FIGURE 2** is a schematic drawing of exemplary apparatus elements and interfaces of trading card apparatuses in accordance with an embodiment of the present invention;

[0016] **FIGURE 3A** is a schematic drawing of an exemplary methodology for creating and registering electronic art work in accordance with an embodiment of the present invention; and

[0017] **FIGURE 3B** is a schematic drawing of an exemplary methodology for selling electronic art work in accordance with an embodiment of the present invention.

#### DETAILED DESCRIPTION OF EMBODIMENTS

[0018] In the following detailed description numerous specific details are set forth in order to provide a thorough understanding of the present invention. However, it will be understood by those skilled in the art that the present invention may be practiced without these specific details. In other instances well known methods, procedures, components, and apparatuses have not been described in detail so as not to obscure the present invention.

[0019] **FIGURE 1A, FIGURE 1B, FIGURE 1C, FIGURE 1D, and FIGURE 1E** show an exemplary methodology of one embodiment of the present invention. The methodology represented is for the purpose of creating electronic trading cards of football team players that can be distributed to end users and traded amongst end users. This example of an electronic collectible is one embodiment of the present invention and is explained in detail to enable the fuller description of the present invention by way of example and not as a limitation of its potential further embodiments. The present invention can be employed for the purposes of distributing and trading other sets of electronic collectibles, including, for example, but not limited to, collectibles that form elements in an electronic game, such as parts of a vehicle to form variant cars in an electronic racing car game, or soldiers and weapons to form armies for employment in an electronic strategy game, electronic collections of electronic art works, movie images or

audio files, and a variety of electronic trading card collections, such as sporting teams, racing cars, celebrities and cartoon characters.

[0020] Figure 1A shows 15 the publishing of unique token serial numbers. Unique token serial numbers are created by the collectibles apparatus and are randomly generated alphanumeric strings more than approximately six characters in length, for example "D-F9T-3X5-WR4". A ten-character token serial number format, for example, will therefore provide for approximately thirty-six times ten to the power of fourteen (the number thirty-six with fourteen zeros following) unique token serial numbers to be generated. The collectibles apparatus creates unique token serial numbers in accordance with an algorithm that ensures no two token serial numbers are the same and ensures the random dispersal of the token serial numbers within the range of all possible permutations of the token serial numbers available for the defined format. Various defined formats, such as the syntax of the example of a ten-character token serial number "D-F9T-3X5-WR4", can be established for use in other sets of collectibles in other embodiments of the present invention. The generation of unique token serial numbers at random intervals within a predetermined range helps ensure that there is a low probability that any two token serial numbers will have consecutive nomenclature. The randomness of the token serial number generation and the extraordinarily large number of possible token serial number permutations means that knowing any one token serial number will not enable a person to guess other token serial numbers. Even if over one billion unique token serial numbers had been generated and distributed to collectors using a ten-character token serial number format for example, a person guessing token serial number combinations at random will still have less than a one in three million chance of guessing an active token serial number combination. This aspect of the present invention supports the uniqueness, confidentiality and security of the token serial numbers. In the example embodiment of the present invention, the total number of token serial numbers created within a defined format will be equal to or less than the total number of electronic trading cards generated. A list of all of the token serial numbers created is recorded within the collectibles apparatus 16.

[0021] The token serial numbers can be distributed to collectors through a variety of means, such as by being sold directly to collectors 22 or provided free to collectors via the purchase by collectors of complementary products 21. A list of valid token serial numbers is generated by the collectibles apparatus and provided to a distributor 18 or product supplier 17 for printing on tokens that are then packaged inside complimentary products 19, such as snack foods, which the collectors then purchase 21. The token is then

retrieved by the collector who can then access the collectibles internet site to receive an electronic trading card.

[0022] A collector uses a computing device to access the collectibles apparatus at the collectibles internet site. If the collector has never accessed the collectibles apparatus before, then the collector must first register as a registered collector within the collectibles apparatus 23 and in turn receive a unique registration identifier and access password from the collectibles apparatus 27. The registered collector can then submit the token serial number on the collector's token to the collectibles apparatus 29. The collectibles apparatus will in turn allocate to the collector at random one of the remaining electronic trading cards from the set of trading cards 32. The submission of the unique token serial number to the collectibles apparatus will also be recorded within the collectibles apparatus for the purpose of invalidating the submitted token serial number for further use within the collectibles apparatus, thereby preventing anyone from using the same token serial number to obtain more than one electronic trading card.

[0023] The collectibles apparatus will hold a copy of each of the electronic trading cards available within the set of electronic trading cards. The set of electronic trading cards for a football league would, for example, contain a limited number of electronic trading cards for some or all of the players in each team in the league. For example, a football league with ten teams and ten players in each team might have nine hundred electronic trading cards available for each team comprising thirty copies of the electronic trading card for the team captain, seventy copies of the electronic trading card for the team vice captain and one hundred copies of the electronic trading card for each of the remaining players, with a total of nine thousand electronic trading cards available for distribution within the set for the entire league. Therefore only nine thousand unique token serial numbers or less would be produced for that set of electronic trading cards.

[0024] When a collector is allocated an electronic trading card, the ownership of that card by the collector is registered in a database within the collectibles apparatus 31. Collectors can then use facilities within the collectibles apparatus to view and manage the electronic trading cards that they own. Another option available to collectors is to install a client apparatus on their own computing device 27. This client apparatus can also be used to view and manage copies of the trading cards that the collector owns. Collectors must also install into their client apparatus on their own computing device a trading card placeholder template for the specific set of trading cards that they are collecting before they can view or manage electronic trading cards on their own computing devices. The

trading card placeholder template contains a predefined placeholder for one or more copies of each electronic trading card for each player for each team within the specific football league for which the collector is collecting electronic trading cards. Both the client apparatus and trading card placeholder template are obtained from the collectibles apparatus. When the trading card placeholder template is obtained from the collectibles apparatus, the collectibles apparatus adds a unique encrypted code to each placeholder in the trading card placeholder template distributed to the collector that is a combination of the placeholder description and the collector's registration identifier 26. Collectors are then able to obtain a copy of the electronic trading cards that they own and store them on their own computing devices. When a collector obtains a copy of an electronic trading card from the collectibles apparatus, the collectibles apparatus adds an encrypted code to the electronic trading card it distributes to collector such that this code is a matching pair to the corresponding encrypted code in the placeholder for the respective player in the trading card placeholder template in the collector's client apparatus for the distributed electronic trading card 32. The client apparatus will be configured to prevent collectors from viewing or otherwise utilizing electronic trading cards where the trading card's encrypted code and the encrypted code for the placeholder for the respective card are not a matching pair. In addition, when collectors access the collectibles apparatus, the collectibles apparatus will conduct an automated audit of the electronic trading cards within the collector's client apparatus and can automatically delete any unauthorized copies of electronic trading cards.

[0025] This method enhances the uniqueness of the electronic trading card by making it difficult for collectors to create unauthorized copies of electronic trading cards or to distribute these unauthorized copies to other collectors. As an additional level of security, it is also possible to add a similar pairing of unique encryption codes to each collector's client apparatus and each trading card placeholder template that each collector receives from the collectibles apparatus, such that a particular placeholder template can only be used within a particular collector's client apparatus.

[0026] The content of the electronic trading cards can also be updated regularly. If a collector has been allocated and has obtained a copy of the electronic trading card representing a particular player, the content associated with that electronic trading card, such as player statistics and audio files, can be updated following each match during a season. The client apparatus can check for updates to the content of all of a collector's

electronic trading cards each time the collector's client apparatus is connected to the collectibles apparatus.

[0027] Collectors can use the collectibles apparatus to exchange their electronic trading cards amongst one another. This exchange in electronic trading cards can be accomplished through a variety of methods, such as trades, sales and auctions of cards, and including processes such as swapping of electronic trading cards between collectors, purchase of electronic trading cards from one collector by another collector, or a combination of both swapping and purchasing. When a collector offers an electronic trading card as part of a trade 35, the electronic trading cards ownership is held in escrow within the collectibles apparatus database until the trade is completed. At the conclusion of a trade, the change of ownership of traded electronic trading cards is recorded within the collectibles apparatus database 41 and the offered electronic trading card is removed from the collector's client apparatus 43 and the new owner of a traded card will be entitled to obtain a copy of that electronic trading card for use within their own client apparatus 46. As with the original distribution of the electronic trading card to the original owner, when the new owner of the trading card obtains a copy of the electronic trading card from the collectibles apparatus, the collectibles apparatus will add a new encrypted code to the card 45 such that it will form a matching pair with the new owner's respective placeholder for that electronic trading card within the new owner's client apparatus.

[0028] Figure 1B shows an optional incentive to collecting the electronic trading cards. Commercial sponsors can offer prizes 50 for collecting particular sub-sets of the trading cards, such as collecting the electronic trading cards of each of the team captains within the league or collecting all of the electronic trading cards for one football team. The collectibles apparatus will keep a database of what prizes are available 52 and collectors can claim their prizes using the collectibles apparatus 63. When a prize is claimed by a collector, the collectibles apparatus can record the details of each of the collector's electronic trading cards used to validate such a claim and thereby prevent those cards from being used again for claiming of further prizes.

[0029] Figure 1C shows the method of viewing and trading electronic trading cards using hand held computing devices that are not permanently connected to the internet. Registered collectors can install onto their own hand held computing devices a version of the client apparatus designed for use on hand held computing devices 80. This hand held version of the client apparatus can share information, including trading card placeholder templates and electronic trading cards, with the client apparatus on the

collector's main computing device 81. The hand held version of the client apparatus will also have the same security features as the main client apparatus with regard to the use of matching pairs of encrypted codes to prevent the unauthorized copying of electronic trading cards. As an additional security feature, each registered copy of the main client apparatus can be limited to only being able to exchange data with one copy of the hand held version of the client apparatus, thereby ensuring that collectors cannot use hand held computing devices to create multiple copies of their electronic trading cards. The hand held version of the client apparatus will also have the facility to engage in direct trading of electronic trading cards between hand held computing devices, without the need to simultaneously access the collectibles apparatus 84 to 89. Such transactions can be facilitated through the use of wireless exchanges of information between two hand held computing devices that both have the hand held version of the client apparatus installed on the devices. Trades of electronic trading cards transacted directly between hand held devices will be held in escrow on both of the collectors' hand held computing devices 90. These trades will not be completed until both parties to the trade had passed the details of the trade either directly or via their main client apparatus to the collectibles apparatus, where the trade details will then be ratified 98, in the same fashion as a normal trade between collectors within the collectibles apparatus.

[0030] Figure 1D shows the method of using electronic trading cards by collectors to support playing electronic games. Electronic games that are complementary to the electronic trading cards can be created that can be played at an internet site, on a personal computer or hand held computing device. Such games can use virtual football teams based on the players within a collector's set of electronic trading cards. Collectors can use a selection of their electronic trading cards to create a virtual football team comprising virtual players with the attributes of the football players represented in the collectors' electronic trading cards. In this fashion, collectors can have their virtual football teams compete with one another or against a computer simulated opposing team. This same method of using collectibles to interface into complementary electronic games can be used to support a variety of electronic game genres, such other sporting games, car racing games and strategy games.

[0031] FIGURE 2 shows the apparatus elements and interfaces in one embodiment of the present invention. The apparatuses shown are representative of one embodiment of the present invention and are explained in detail to enable the fuller

description of the present invention by way of example and not as a limitation of its potential further embodiments.

[0032] Figure 2 shows the two distinct transactional environments within an electronic information network that facilitate one embodiment of the present invention: the collectibles apparatus environment and the client apparatus environment. The client apparatus itself is further split into two versions: one version for a main computing device and one version for a hand held computing device that interfaces with the main computing device version.

[0033] Figure 2 shows that the collectibles apparatus environment is comprised of several sub-elements. One sub-element of the trading card environment is the token serial number generation apparatus 301. This apparatus 1 uses a pre-defined algorithm to create token serial numbers that can be used to facilitate the distribution of electronic trading cards and to ensure that no two token serial numbers are the same. When each token serial numbers is created, the token serial number generation apparatus 301 stores a record in the token serial numbers database 309. The token serial number generation apparatus 301 then distributes the token serial numbers as a consolidated list to an external marketing partner or product manufacturer 315 for printing on tokens and eventual distribution to electronic trading card collectors.

[0034] Yet another sub-element of the collectibles apparatus environment is the trading card allocation and purchase apparatus 302. This apparatus 302 facilitates the submission of token serial numbers by registered electronic trading card collectors via the collectibles electronic information server 314. When registered collectors submit their token serial numbers, the trading card allocation and purchase apparatus 302 randomly selects an electronic trading card from the remaining electronic trading cards available for distribution, as recorded within the trading card database 310, and allocates the ownership of that card to the collector who submitted the token serial number. The trading card allocation and purchase apparatus 302 then records the details of the submitted token serial number in the token serial number database 309 such that the submitted token serial number will be invalidated for future use. The trading card allocation and purchase apparatus 302 then records the allocation of the card to the collector in the collectors database 312 and updates the trading card database 310 to indicate that the allocated card is no longer available for allocation. If the registered collector has a client apparatus installed on his main computing device, then the trading card allocation and purchase apparatus 302 will also facilitate adding an encryption code to the copy of the electronic

trading card allocated to the collector such that this code is a matching pair to the corresponding encrypted code in the placeholder for the respective player in the trading card placeholder template 319 in the collector's client apparatus for the allocated electronic trading card. The trading card allocation and purchase apparatus 302 will then forward the copy of the electronic trading card to the collector's client apparatus via the collectibles electronic information server 314.

[0035] The content of the electronic trading card, such as text and multimedia attachments, is stored within the trading card database 310 and a copy of this content is passed to the collector with the copy of the electronic trading card. The content of the electronic trading cards, such as player statistics and audio files, can also be updated regularly. The client apparatus can check for updates to the content of all of a collector's electronic trading cards each time the collector's client apparatus is connected to the collectibles apparatus.

[0036] The trading card allocation and purchase apparatus 302 also facilitates the purchase of electronic trading cards by registered collectors. The process for purchasing electronic trading cards is the same as that for being allocated electronic trading cards in return for submission of a token serial number, except that in this case instead of the collector submitting a token serial number, the collector makes a payment. The trading card allocation and purchase apparatus 302 will incorporate an electronic funds transfer processing facility, such as credit card authorization and settlements. The electronic funds transfers will be authorized and settled externally 316 and the balance of funds available to a collector will be recorded as a funds account for the respective collector within the collectors database 312. Upon payment for an electronic trading card, the trading card allocation and purchase apparatus 302 will record the details of the purchase transaction within the trading transactions database 311 and proceed to allocate and forward a copy of the electronic trading card to the collector in the same manner as used for allocating electronic trading cards in return for submission of a token serial number.

[0037] The trading card allocation and purchase apparatus 302 also facilitates the automated audit checking of electronic trading cards held within a collector's client apparatus. When a registered collector accesses the collectibles apparatus, the trading card allocation and purchase apparatus 302 will conduct an automated audit of the electronic trading cards held within the collector's client apparatus and compare the cards held with the collector's client apparatus to the list of cards allocated to the collector as recorded in the collectors database 312. If the collector has any electronic trading cards in the

collector's client apparatus that are not listed as being allocated to the collector in the collectors database 312, the trading card allocation and purchase apparatus 302 can facilitate a variety of actions, such as sending warning notifications to the collector or automatically deleting any unauthorized copies of electronic trading cards.

[0038] The trading card allocation and purchase apparatus 302 also facilitates the removal of trading cards from a collector following a trade. At the conclusion of a trade, the change of ownership of traded electronic trading cards is recorded within the collectors database 312 and the new owner of a traded card will be entitled to obtain a copy of that electronic trading card for installation within their own client apparatus. As with the original distribution of the electronic trading card to the original owner, when the new owner of the trading card obtains a copy of the electronic trading card from the collectibles apparatus, the trading card allocation and purchase apparatus 302 will add a new encrypted code to the card such that it will form a matching pair with the new owner's respective placeholder for that electronic trading card within the new owner's client apparatus. As part of the settlement of the same trade, the previous owner of a traded electronic trading card will have the traded card removed from his or her client apparatus. If the collector is not using their client apparatus at the time that the trade occurs, but instead is accessing the collectibles apparatus directly, then the traded card will be automatically removed from the collector's client apparatus through the automatic audit check conducted when the collector next access the collectibles apparatus using his or her client apparatus.

[0039] Yet another sub-element of the collectibles apparatus environment is the card trading and auction apparatus 303. This apparatus 303 enables registered collectors to exchange their electronic trading cards amongst one another. This exchange in electronic trading cards can be accomplished through a variety of methods, such as trades, sales and auctions of cards, and including processes such as swapping of electronic trading cards between collectors, purchase of electronic trading cards from one collector by another collector, or a combination of both swapping and purchasing. The card trading and auction apparatus 303 makes use of the electronic funds transfer facility within the trading card allocation and purchase apparatus 302 to enable collectors to add funds to their funds account within the collectors database 312 for the purpose of using such funds as part of an offer during card trading, auctions or sales. The card trading and auction apparatus 303 enables registered collectors to make offers and counter offers for trades, auctions or sales and enables the final acceptance of such transactions by all parties to the

transactions and settlement of the transaction. Changes to the ownership of electronic trading cards following a trade auction or sale are facilitated by the trade allocation and purchase apparatus 302. Transfer of funds from one collector to another following a trade are recorded within the collectors database 312. All elements of the trade are also recorded in the trading transactions database 311.

[0040] Yet another sub-element of the collectibles apparatus environment is the collectors registration and administration apparatus 304. This apparatus 304 facilitates the initial registration of collectors and the provision of client apparatuses and trading card placeholder templates 308 to collectors. When a collector first accesses the collectibles apparatus, the collector must submit registration details to the collectors registration and administration apparatus 304 such that the collector can be uniquely identified from all other registered collectors. The apparatus 304 will then assign a unique registration identifier and associated access password to the collector and record the collector's details, including the collector's registration identifier, in the collectors database. The now registered collector can then use this combination of registration identifier and associated access password to access the collectibles apparatus on all future occasions. The collectors registration and administration apparatus 304 also provides registered collectors with the option of obtaining a copy of the client apparatus and a trading card placeholder template 308 for use on the collector's computing device. When the collector requests a trading card placeholder template 308, the collectors registration and administration apparatus 304 adds an encrypted code to each placeholder for each player for each team within the trading card placeholder template 308. This encrypted code is a unique combination of the placeholder description and the collector's registration identifier.

[0041] Yet another sub-element of the collectibles apparatus environment is the sponsorship and prizes apparatus 306. This apparatus 306 can be used to facilitate the provision of prizes to collectors. The rules for entitlement to a prize can be held in the sponsorship and prizes database 313 and when a registered collector has collected the requisite electronic trading cards to claim a prize, the sponsorship and prizes apparatus 306 can either automatically or upon request by the collector validate and process the claim. Upon validation of a collector's claim for a prize, the sponsorship and prizes apparatus 306 will also then update the collectors database 312 to indicate which of the collector's electronic trading cards had been used to claim the prize such that those cards can not be used to claim further prizes. The sponsorship and prizes database 313 will also keep a record of how many of each type of prize are available and which prizes have been

claimed, thereby enabling collectors to also use the sponsorship and prizes apparatus 306 to periodically check which prizes were still available for claiming.

[0042] Yet another sub-element of the collectibles apparatus environment is the online client management apparatus 307. This apparatus 307 provides facilities similar to the client management apparatus 318 within the client apparatus environment (main), in that it enables collectors who are not able to run the client apparatus on their own computing device to still view, manage and utilize the electronic trading cards that they have collected, including utilizing the electronic trading cards to participate in complementary electronic games 317.

[0043] Figure 2 also shows that the client apparatus environment (main) is comprised of several sub-elements: the client management apparatus 318, the trading card placeholder template 319, the trading card database 320 and the client import and export apparatus 321. The client management apparatus 318 facilitates the input of information by the collector, provides a central apparatus through which collectors can view and utilize their electronic trading cards, including using the trading cards to participate in electronic games installed on the collector's computing device, and provides an interface through which data can be exchanged via the internet between the client apparatus environment and the collectibles apparatus and internet-based electronic games.

[0044] When a collector uses the collectibles apparatus to register as a registered collector of electronic trading cards, the collectibles apparatus will provide the collector with the option of using the client apparatus on the collector's own computing device. If the collector accepts this option, the collector will install the client apparatus on collector's own computing device and the collectibles apparatus will also provide the collector with a trading card placeholder template 319 for the current season's football team players' electronic trading cards. When the collector is allocated an electronic trading card by the collectibles apparatus, the collector can retrieve a copy of the allocated electronic trading card and its associated content.

[0045] When the client management apparatus 318 receives such copies of electronic trading cards the client management apparatus 318 first checks that the encrypted code on the card is a matching pair with the encrypted code for that card's placeholder within the trading card placeholder template 19. If there is a match between these two encrypted codes, then the client management apparatus will store the content of the electronic trading card in the trading card database 320. The collector can then use the

client management apparatus 318 to view and utilize electronic trading cards and its associated content stored in the trading card database 320 within the client apparatus.

[0046] The matching pair of encrypted codes will be facilitated by the creation of three encrypted codes. The first code will be the key code, which will be a unique code for each registered collector and will be a large encrypted code based on the collector's registration identifier. This key code will be stored within the collectors database 312 and hidden within the collector's client apparatus. The second encrypted code will be the placeholder code, which will be a large encrypted code based on a combination of the collector's registration identifier and the placeholder identifier. A unique placeholder code will be added to each placeholder within the trading card placeholder template 319 provided to the registered collector. The third encrypted code will be the trading card code, which will be a large encrypted code based on a combination of the collector's registration identifier and the trading card identifier. A unique trading card code will be added to each electronic trading card and its content passed to a collector by the collectibles apparatus. In this manner, the trading card allocation and purchase apparatus 302 will add encrypted codes to electronic trading cards such that the encrypted code on the card is a matching pair with the encrypted code for that card's placeholder within the trading card placeholder template 319 in accordance with a standard algorithm, for example: the hexadecimal value of the placeholder code minus the hexadecimal value of the card code equals the hexadecimal value of the key code.

[0047] One of the options for utilizing the electronic trading cards is to use them to participate in complementary electronic games 317. An electronic football game can, for example, enable collectors to create their own virtual teams based on the electronic trading cards that they have collected. These virtual teams can compete against virtual teams created by other collectors within electronic games hosted on internet game sites. Similarly, a collector's virtual team can be used to play against a computer-simulated team within an electronic game running on the collector's own computing device or hand held computing device. The client management apparatus 318 can be used to facilitate the exchange of data between the client apparatus and electronic games so as to enable the use of the collector's electronic trading cards within the electronic games.

[0048] Yet another sub-element of the client apparatus environment (main) is the client import and export apparatus 321. This apparatus 321 provides a facility to exchange trading card data and details of trade transactions between the client apparatus environment (main) and the client apparatus environment (hand held computing device),

thereby enabling the data in the two client apparatus environments to be periodically synchronized.

[0049] It is intended that the client apparatus of the present invention can be used on highly portable hand held computing devices, such as Personal Digital Assistants and cellular telephones. These hand held computing devices may not be able to connect directly to the collectibles apparatus via the internet, or they may only be able to occasionally connect to the collectibles apparatus via the internet, and so the present invention provides for collectors to have two versions of the client apparatus, one for use on a main computing device and one specifically for hand held devices, the client apparatus environment (hand held computing device).

[0050] The client apparatus environment (hand held computing device) will itself have numerous variants as determined by the potential computing power, memory capacity and communication bandwidth available on the various hand held computing devices in which it is used. The sub-elements within the client apparatus environment (hand held computing device), the client management apparatus 323, the trading card placeholder template 324, the trading card database 325 and the client import and export apparatus 322, will however provide similar functionality as the same sub-elements within the client apparatus environment (main).

[0051] The client management apparatus 323 within the client apparatus environment (hand held computing device) will however provide a few extra functions beyond those of its counterpart in the client apparatus environment (main). The client management apparatus 323 will also provide the functionality to receive copies of trading card placeholder templates from the client apparatus environment (main). The client management apparatus 323 will also contain an encrypted unique identifier code such that only one copy of the client apparatus environment (hand held computing device) can exchange data with one copy of the client apparatus environment (main), which will ensure that any one registered collector cannot have more than one functioning copy of the client apparatus environment (main) and one functioning copy of the client apparatus environment (hand held computing device). The client management apparatus 323 will also provide a functionality for collectors to use their electronic trading cards to participate in complementary electronic games 328, in a similar manner to that provided by the client management apparatus 318 within the client apparatus environment (main). The client management apparatus 323 within the client apparatus environment (hand held computing device) will however provide an additional facility to enable collectors to participate in

electronic games with collectors using other hand held devices via direct wireless connections, such that there would be no requirement for these devices to necessarily achieve connectivity to each other via the internet in order to join in an electronic game with one another.

**[0052]** Yet another sub-element of the client apparatus environment (hand held computing device) is the direct wireless trading apparatus 326. This apparatus 326 provides a facility for two or more hand held computing devices used by registered collectors with the client apparatus environment (hand held computing device) installed on both devices to conduct trade transactions while not having access to the collectibles apparatus. The direct wireless trading apparatus 326 provides a facility for pre-agreed trades of electronic trading cards to be transacted between two collectors by exchanging the terms of the agreed trade, such as the amount of money and the electronic trading cards involved, directly between the collectors' hand held computing devices 327. Transactions conducted in such a manner will be held in escrow within the client apparatuses of all parties to the trade until all parties to the trade had ratified the terms of the trade within the collectibles apparatus. While trade transactions are held in escrow, trading cards will not be able to be used for any other trades. The terms of the trade will be passed to the collectibles apparatus either directly from the client apparatus environment (hand held computing device), if the hand held device can access the collectibles apparatus via the internet, when the collector next uses his hand held device to connect to the collectibles apparatus, or indirectly via the client apparatus environment (main) when the collector next uses his main computing device to connect to the collectibles apparatus, after having synchronized the information between his client apparatus environment (main) and client apparatus environment (hand held computing device). Once the terms of such a trade have been passed to the collectibles apparatus by all parties to the trade, the details of the trade, such as changes in ownership of cards and transfer of funds, will be settled by the collectibles apparatus as per a trade conducted totally within the collectibles apparatus.

**[0053]** **FIGURE 3A** and **FIGURE 3B** show a further example of one embodiment of the present invention. The methodology represented shows the employment of the present invention for the purpose of distributing and utilizing electronic works of art. This further example of an electronic collectible is another embodiment of the present invention and is explained in detail to enable the fuller description of the present invention by way of example and not as a limitation of its potential further embodiments.

**[0054]** In Figure 3A the collectors, art gallery owners and artist who creates the electronic art work all register within the collectibles apparatus. In this example, the gallery owners are effectively also collectors, except that they could have an additional level of ownership of collectibles, such that they can hold works of art on consignment for artists. In this example, the function of encrypting the electronic collectibles and their associated content is not performed at a central location but instead is performed by the artists by splitting off part of the collectibles apparatus into what is termed the encryption device 215. When artists create new electronic works of art 216 they can register the creation of this art within the central collectibles apparatus 217. The central collectibles apparatus will then provide a unique encryption code for the work of art which can be used within the encryption device to encrypt the electronic collectible and its associated content. Thus, when the electronic collectible is passed to a gallery owner 221 the transfer of ownership of the electronic collectible can be registered within the central collectibles apparatus 222 and the central collectibles apparatus can provide an updated placeholder template to the gallery owner 224 such that the placeholder for the electronic collectible will contain an encrypted code that is a matching pair to the code attached to the electronic collectible. The placeholder template would also have an encrypted code added to it such that it can only be used by the client apparatus provided to the owner of the electronic collectible.

**[0055]** Figure 3B shows how this method can facilitate the display of electronic works of art by gallery owners and the purchase of electronic works of art by collectors. In a similar manner to that explained for the electronic trading card example, the collectibles apparatus could also facilitate the exchange of electronic works of art between collectors through such methods as purchasing, auctions and trades.

**[0056]** Furthermore, if a collector's computing device does not have direct access to the collectibles apparatus, then the gallery owner can facilitate the registration of the collector and the changes to ownership of electronic works of art on behalf of the collector. In this adaptation of the method, the gallery owner would download all the necessary client apparatus and placeholder information from the central collectibles apparatus on behalf of the collector and install this information on the collector's computing device via a transportable data storage device.

**[0057]** Thus, the method and apparatus of the present invention provides collectors with the facility to distribute, exchange and utilize electronic collectibles through the use of a collectibles apparatus environment and a client apparatus environment.

**[0058]** Many alterations and modifications of the present invention will be comprehended by a person skilled in the art after having read the foregoing description. It is to be understood that the particular embodiments shown and described by way of illustration are in no way intended to be considered limiting. Therefore, references to details of particular embodiments are not intended to limit the scope of the claims, which in themselves recite only those features regarded as essential to the invention.

**[0059]** Thus, a method and apparatus for distributing, exchanging and utilizing electronic collectibles has been described.

**[0060]** The embodiments described herein are intended to be illustrative of this invention. As will be recognized by those of ordinary skill in the art, various modifications and changes can be made to these embodiments and such variations and modifications would remain within the spirit and scope of the invention defined in the appended claims and their equivalents. Additional advantages and modifications will readily occur to those of ordinary skill in the art. Therefore, the invention in its broader aspects is not limited to the specific details and representative embodiments shown and described herein.